

**Growth and Development**

## **Challenging the Orthodoxy of Economic Globalisation; a Performative Discourse That Activates the Dynamics of Underdevelopment in West Africa**

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This paper evaluates critically the discourse of 'economic globalisation'. This discourse extend the belief that capitalist firms now produce the vast majority of goods and services produced in the world (i.e., the commodification thesis) by asserting that this process of commodification is increasingly taking place within an open world economy in which firms operate in a deregulated and seamless global marketplace. In the economic globalisation thesis, therefore, it is a specific type of commodified economy that is becoming hegemonic and stretching its tentacles wider and deeper across the globe, namely unregulated or 'free market' capitalism composed of hyper-mobile and homeless capital operating in a borderless world.

The main aim/objective of this paper is to contest the narrative of economic globalisation adopted by the globalists, demonstrating its performative character. In doing so, it will contest the view that globalisation is the only future, and display how the future is more open than suggested by its proponents. This thesis will use the Gambia to produce empirical evidence of the shallowness of economic globalisation.

So far data that will be use in writing up this paper will be secondary data, but however I am due to be going for a field work in the Gambia in July this year to carryout empirical research, using a barrage of techniques to collect my data. Methods will include a structured questionnaire that will be used to measure the embeddedness of Gambian households in the globalisation process, and also semi-ethnography to evaluate the impacts of economic globalisation.

Although I have not yet reached any results, my research will more than likely prove that:

- Globalisation is a performative discourse.
- The lived practices/coping strategies of households have less to do with globalisation.
- The informal economy in West Africa (The Gambia) is not demising as proposed by the globalists, rather it is increasing.
- Globalisation (Capitalist globalisation) is not the formula for the socio-economic development of West Africa (The Gambia).
- The future is open to other alternatives.

Being the first of its kind in the Gambia, that is to my knowledge, my research other than seeking to challenge the hypotheses of globalisation (akin to commodification and formalisation) also seeks to create some policy implications which would enable the Gambia and other West African states to target social assistance and strengthen their civil society and instruments of sustainable human development in the informal sector.

I strongly believe that unless and until great steps are taking by Gambians and other West Africans to address the current socio-economic equation, we in the Gambia and the West African sub-region will continue to suffer untold socio-economic problems which will continue to facilitate the development of underdevelopment, and strengthen

our own marginalisation that has already been set in motion. I feel that the first and foremost step of the many great steps that would need to be taken, is the studying of the past and present socio-economic conditions of the Gambia and its relationship with capitalist globalisation which will certainly lead to a comprehensive understanding of the current situation.

## **Introduction**

The discourse of globalisation has been regarded as both positive and negative. Viewed from a neo-liberal 'hyperglobalist' perspective, globalisation is a triumph of political liberalism and of the unfettered play of market forces and as likely to strengthen the economic and social basis for the unity of humankind by offering fresh possibilities for 'new partnerships' in the world order (Jinadu, 1999).

From the anti-globalist perspective however, contemporary globalisation depicts the dominant neo-liberal paradigm, a new form of imperialism in which global financial and corporate institutions dominate the global economic and political space. Indeed they argue that it has imposed a violent, post-colonial imperialism; deepened social hierarchies (e.g. class, gender etc.); extinguished vulnerable cultures; facilitated the development of underdevelopment; undermined every fabric of community; massively aggravated ecological degradation; and compromised every claim to knowledge, scientific or otherwise (Axford, 1995; Ake, 1996; Osuji, 1997; Thomas and Wilkin, 1999).

From this viewpoint, for majority of the advanced economies, the process of globalisation has brought about socio-economic success. Globalisation has been a means of tapping more into cheap labour, resources, capital and markets. However, for most 'third World' countries if not all, particularly in sub-Saharan Africa, globalisation has been an awesome and terrifying phenomenon, enlivening the venomous potency of mass poverty and its accompanying multidimensional depravity of the citizenry of all the requisite essence of meaningful living (Akindele et al, 2002). More than anything, globalisation has raised the dynamics of under development (Ake, 1996). Globalisation through its economic liberalism and success for the "developed" World 'has been elevated to the position of absolute truth, a sort of pensee unique or single theory against which there is no credible alternative' (AAPS, 1999) for socio-economic development.

To this effect, this paper will contest the neo-liberalist notions of economic globalisation, exposing its performative and hallow nature and unveiling how it has being a means of socio-economic devastation and destabilisation in sub-Saharan Africa particularly the Gambia. It will also argue against the neo-liberalist notion that socio-economic development in sub-Saharan Africa is only dependent on the strict adherence to the principles and modus operandi of economic globalisation, in most cases designed or influenced by the Bretton Wood Institutions working in the interests of 'advanced' economies.

## **Economic Globalisation the Highest Stage of Neo-liberal Extremism**

Today, the majority of the world particularly those in sub-Saharan Africa are considered to be suffering from a disease of economic malnutrition and socio-economic underdevelopment. The only prescription from Dr. neo-liberalism to such a well-constructed fate is economic globalisation or at least an enlistment into the 'global' economy. But what exactly is economic globalisation. This is a nebulous concept that has been opened to different interpretations, making it difficult to construct a precise definition. However for the purpose of this paper and its objective, economic globalisation will be defined from a neo-liberalist spectrum. Neo-liberals view economic globalisation as the recent and rapid intensification of international trade and investment which is disintegrating and reintegrating distinct national economies into a single homogenous global economy, a development that can neither be resisted nor significantly influenced by human intervention, particularly through traditional political institutions, such as nation-states (Held, 2000). Thus this process of economic globalisation is said to lead to a cross-border integration of factor, intermediate products, and final products markets along with increasing salience of multinational corporations (Prakash,

1999). Neo-liberals also extend the view that this process of economic globalisation is removing all national barriers to the free movement of international capital and resources, which involve trade liberalization, free market mobility, commercialisation and the empowerment of trans-national corporations. For the optimistic globalist (neo-liberals), economic globalisation is something that should be celebrated as it 'benefits consumers by increasing the scale and allocative efficiency of markets for both goods and capital' (Williams, 2005).

To fully comprehend the thesis of economic globalisation, it is imperative to conjure the 'formalisation' and 'commodification' theses because such theses are akin to each other. The formalisation thesis stipulates that 'goods and services are increasingly provided through the formal economy (the state and market spheres) and the informal economy is in demise' (Williams, 2005). It also views the informal sector as a constraint to socio-economic development, as it breeds socio-economic backwardness and underdevelopment (Williams, 2005). It also perceives the informal sector as 'primitive or traditional, stagnant, marginal, residual, weak, about to be extinguished; a leftover of pre-capitalist formations that the inexorable and inevitable march of formalisation will eradicate' (Williams, 2005). The conceptualisation of the informal sector by the formalisation thesis can be summed up in the words of Seabrook (2003) a populist commentator who pronounces that 'the western poor are dead souls...hustlers and survivors, economic shadows in the shadow economy, the discouraged and despairing who have fallen through the bottom line of accounting systems' (9-10; cited from Williams, 2005).

The commodification thesis on the other hand (also known as the 'commercialisation' or 'marketization' thesis; see Williams, 2005), extends the view that 'the formal production and delivery of goods and services is increasingly occurring through the market sector rather than by the state or informal spheres' (Williams, 2005). This phenomenon has become a "near universal belief" (Lee, 1999, 200a; Polanyi, 1944; Scott, 2001; Smith, 2000; Watts, 1999; cited from Williams, 2005) due to the proliferation of capitalism and the neo-liberal doctrine. The commodification thesis has attracted many proponents some of whom argue that 'the marketplace is a pervasive force in our lives' (Rifkin, 2003; cited from Williams 2005); that capitalism is altering 'every human interaction into a transient market exchange' (Ciscel and Heath, 2001; cited from Williams, 2005); that 'markets are subsuming greater portions of everyday life' (Gudeman, 2001; cited from Williams 2005); that 'capitalism stands alone as the only feasible way rationally to organise a modern economy' (De Soto, 2001: cited from Williams, 2005); and that 'all plausible alternatives to capitalism have now evaporated' (De Soto, 2001). As pronounced by Amin et al (2002b: cited from Williams, 2005) 'the pervasive reach of exchange-value society makes it ever more difficult to imagine and legitimate non-market forms of organisation and provision'. Thus the commodification thesis extends the view that goods and services are increasingly produced for exchange, that such exchanges are increasingly monetised and that such monetised exchanges are occurring for the purpose of profit. To this effect the commodified realm is perceived as becoming the economic institution rather than one mode of producing and delivering goods and services amongst many (Williams, 2005).

Akin to the formalisation and commodification theses, is the globalisation thesis which espouses the notion that not only are goods and services produced and delivered by multinational corporations (capitalist firms) for the motive of profit making but also that such an operation is taking place in a 'borderless and seamless open world economy in which hyper-mobile and homeless capital restlessly roams the globe unrestrained in search of profit-making opportunities' (Williams, 2005). Within the confinements of this thesis therefore, this supposed to be seamless and borderless world is controlled by and left at the mercy of market forces rather than at the hands of nation states. The widespread propagation of the neo-liberal

doctrine has made economic globalisation appear as if it were natural, normal and inevitable, like an absolute sovereign. Thus neo-liberals poise that for better or for worst we are all being affected by this inevitable and powerful force of economic globalisation and that our actions, decisions and activities in one corner of the globe would have rapid and significant repercussions on people and places on other parts of the globe (Wiseman, 1998). But to what extent are people's lives embedded into this global economy? Or how much of economic globalisation is taking place? Or is economic globalisation just another hallow and performative discourse? To comprehend this, I would put into consideration the informal sector of the Gambia, which is similar to almost all informal sectors in sub-Saharan Africa.

### **Defining the Informal Sector in the Gambia**

The informal economy has been derogatorily caricatured by some as the 'black market', 'the criminal underworld', 'the world turned-upside down', 'the underground economy' (Smithies, 1984; Feige, 1989), whilst others have more positively labelled it as an 'alternative', 'shadow', 'parallel', 'clandestine', and 'household' economy (Gerxhani, 2004; Charms, 1990; Harding & Jenkins, 1989). Well at least in the Gambia it is coined as the 'domestic economy' (Action Aid the Gambia, 2005) Whereas some hold the notion that the informal sector is a leftover of pre-capitalist social formations, others (Williams & Windebank, 1998) actually argue that despite the existence of capitalist activities (economic restructuring, government policies, market deregulation, and direct foreign investment), the informal sector remains a large, vibrant and growing sphere of economic activity.

Indeed, in the African sub-continent, the informal economy constitutes almost 80% of non-agricultural employment, over 60% of urban employment and over 90% of new jobs in the past decade (ILO, 2002). Whilst this may demonstrate the rate, growth, vastness and scope of the informal sector, it also signifies its importance and status in Africa particularly in countries like the Gambia. But what exactly is meant by the informal sector? The informal sector can be classified into two: the paid and unpaid informal sectors

The informal economy as a concept was first introduced into academic literature by Keith Hart (1970), a social anthropologist, who used the concept to depict a part of the urban labour force, which operated outside the confinements of the formal labour or global market in Ghana and Kenya. This was later used to refer to the strategies employed by individuals to earn their living outside the formal/global economy either as alternatives, complements, and or supplements to it (Bromley & Gerry, 1979). The International Labour Organisation (ILO) first used the concept in the 1970s to refer to the activities of the working poor whose hard work was neither recognised, regulated, protected nor recorded by governments and public authorities (ILO, 2002).

The informal economy also came to have a geographical dimension in that the notion of the informal sector was implicitly linked to the urban economy, a tendency that has continued to persist (Todaro, 1987). However, with continued investigation in academic literature, some researchers came found out that the informal sector was far more pervasive, applying equally to urban and rural areas. For instance, King (1990) highlights that, in the 1980s, there seem to be some point in re-conceptualizing the informal sector as the ordinary economy cutting across rural and urban areas, agriculture and commerce, across survival skills and income- generating strategies (1990, p5).

The informal economy has also been described as a "residual sector", a source of employment for those who are unable to find employment in the formal/global economy. In the context of this definition, the informal sector workers are regarded as low productivity workers. However, empirical research has shown that this is not necessarily the case. For example, Charms (1990) found evidence which suggested that informal sector workers

generally contributed to GDP over and beyond the minimum wage. Furthermore, he argued that productivity in the informal sector was much higher than average per capita GNP in the economy. When the current situation of the Gambia is put under observation, where over 70% of the total workforce is employed by the informal sector, this argument may seem to be to very true. Another important factor that has not received attention until recently is the non-trivial numbers of households engaging in both informal and formal sector activities (King 1990).

The informal economy has also come to be widely used to describe an expanding and skyrocketing diverse group of workers and enterprises in both rural and urban areas operating informally, who are neither recognised nor protected under the legal regulatory frameworks, henceforth been exposed to a high level of vulnerability. In the ILO's 2002 report, such people are said to include 'own-account workers in survival type activities, such as street vendors, shoe-shiners, garbage collectors, scrap and rag pickers, paid domestic workers employed by households, home-workers, workers in sweatshops (usually disguised as wage workers in production chains), self-employed workers in micro-enterprises (operating on their own or with contributing family workers), and apprentices'. In most cases, people engaged in the informal sector are usually subjected to exploitative institutional arrangements with low incomes, unstable and irregular jobs. In addition, they have no voice for representation and are often placed at a competitive disadvantage as a result of their lack of influence. Some are often put under horrendous conditions and because most of their informal activities often lie on the periphery of the law, public officials who normally interpret such activities as criminal usually subject them to harassment, bribery, extortion and repression (ILO, 2002). Although some of these activities also take place in the formal sector however, the distinction between the formal and informal sector is that those in the formal sector are protected and recognised by public authority, laws and regulations, whilst those in the informal sector remained unrecognised and unprotected.

The ILO also postulates that although the informal sector is not recognised by laws and regulations, this does not necessarily mean that there are no norms or rules orchestrating it. In fact some argue that the informal sector has got, its own "political economy", with its own informal group rules, arrangements, institutions and structures for mutual help and trust, providing loans, organising training, transferring technology and skills, trading and market access, enforcing obligations etc (ILO, International Labour Conference Report, 2002).

Another way to comprehending the informal sector is to take a look at the 'seven essential securities' in relation to those who engage themselves in the informal sector, which they are often denied. These include labour market security, employment security, work security, job security, skill production security, income security, and representation security. The absence of all these securities is what leads to exploitation, repression, unproductive and unremunerative jobs, inadequate social protection and lack of representation, which the ILO labelled as "decent work deficits" (ILO, 2002).

Williams & Windebank (1998) also describe the informal economy as a large and growing sector of paid economic activity, which goes beyond the territory of the formal wage economy. They also postulate that such economic activities are usually 'unregistered' or 'hidden' from the state for tax, social security and labour law purposes, but which are legal in all other respects. In as much as I may want to concur with some aspects of this description of the informal sector in terms of some of the illegal economic activities like child sex exploitation and child labour which are usually hidden away from laws and regulations, I will also want to inject myself with reality not to be totally eclipsed by the Eurocentric aspects of this definition. Although some aspects of this definition will perfectly fit in an African context, as it is very true that some individuals or enterprises in the Gambia deliberately engage themselves in certain criminal-economic activities like drug dealing, child labour etc,

which have laws to deal with them, but which they try to hide from such laws, however, there are also certain informal economic activities which do not necessarily hide away from the laws, thus not been dealt with. This is often due to the deficiency of laws to deal with them in the Gambia. Charmes (1998; p4) pronounces that establishments 'often go unregistered, they do not pay relevant taxes, not only or not mostly out of a desire or willingness to escape and to remain concealed, but more likely because of the inability of governments to enforce often inadequate regulations'

Thus, the element of 'hidden' may not necessarily apply in a Gambian context, where 90% of informal economic activities are used as survival strategies. In Europe or America, laws are created to deal with all forms of economic activities in some shape or form because of their level of economic development and maturity, which may not necessarily be the case in countries like the Gambia, thus resulting in the lack of sufficient laws to cover a wide range of economic activities.

The unpaid informal sector consists of two broad categories of unpaid work. First, there is the 'self-provisioning' type, which according to Williams (2005) refers to the 'unpaid household work undertaken by household members for themselves or for other members of their households'. The second type of unpaid work that constitutes part of the non-wage sector is the 'unpaid community work', which refers to 'work provided on an unpaid basis by and for the extended family, social or neighbourhood networks and more formal voluntary and community groups, and ranges from kinship exchange, through friendship/neighbourly reciprocal exchanges to one-way volunteering for voluntary organisations' (Williams, 2005).

In the case of the Gambia, the unpaid informal sector comes in the form of voluntary groups, youth organisations, cultural associations and religious groups. Indeed, such participants more often than not serve as intermediaries between aid donors, NGOs and the local communities in the Gambia.

### **The Scope and Nature of the Paid Informal Sector in the Gambia**

According to the ILO's labour market report (2000), 72.4% of total employment in the Gambia is in the informal sector. This report also confirms that 66.1% of the participants are males, whilst women constitute over 82.7% of the overall informal sector in the Gambia. The informal sector absorbs a large and growing fraction of the labour force, and provides a "safety net" for the poor, who find themselves excluded from formal employment (global economy) and income opportunities. However, with the slow, or even negative, growth of formal sector employment opportunities in the Gambia, combined with a rapid and significant growth in the urban labour force, economic stabilization and restructuring programmes, and the quest for increased flexibility and deregulation of the economy, it was estimated that in the near future, the informal sector will form over 90% of the total Gambian workforce (ILO, 1997).

The scope of the informal sector in the Gambia includes diverse activities; it represents a heterogeneous universe, irreducible to any subset of specific rules of economic calculation (Castells & Portes, 1989), especially with the continuous proliferation of the informal sector. Based on the recently concluded Economic Census of the Gambia (2005), there is clear indication that the informal sector is evolving along the borders of social struggles, incorporating those too weak to defend themselves, rejecting those who are too conflictive, and propelling those with stamina and resources into surrogate entrepreneurship (Castells & Portes, 1989). Because of the heterogeneity of definitions of what the informal economy is, it becomes very problematic to identify a structure for it. However because the informal sector is being dealt with from the Gambian context, I will in no way hesitate to use the Gambia government's description of the informal sector, which more than anything

focuses on the number of employees and registration. Although the definition of the informal establishments varies from industry to industry, however in a more generalist view all establishments employing less than five employees are considered informal (Gambia Economic Census, 2005).

The 2005 economic census concludes that two hundred and ten thousand (210,000) people are employed by eighty two thousand one hundred and seventy (82,170) establishments in both formal and the informal sector. Out of the 82,170 establishments, 75,977 (92%) employ less than five people whilst the remaining 6,193 (8%) employ more than five people. Out of the 75,977 establishments that employ less than five people 10,066 (7%) are registered whilst 65,911 (93%) remain unregistered. In the case of the establishments employing five or more people, 2692 remain registered whilst 3501 are unregistered. Henceforth if the number of employees is the only criterion for defining the informal sector, then it is the case that about 92% of all establishments operate under the informal economy and if registration is the only criterion then it means that the informal sector consumes up to 79% of all establishments in the Gambia, whilst the formal sector only takes 21%.

Based on the revelations of the economic census, the informal sector is more concentrated in the urban areas of the Gambia. The Gambia is administratively divided into eight regions, three of which (Banjul, Kanifing, Brikama) are considered to be the urban regions whilst the remaining five (Mansakonko, Kerewan, Kuntaur, Janjangbureh, Basse) are considered to be the rural or provincial areas. Out of the 75,977 of all establishments in the informal sector, 59,175 (85%) are concentrated in the urban regions (Banjul, Kanifing, Brikama) whilst the remaining 16,802 (15%) are found in the rural or provincial regions (Mansakonko, Kerewan, Kuntaur, Janjangbureh, Basse).

Industry wise the trade sector (wholesale & retail) happens to be the dominant area where most informal economic activities take place as it accounts for 56,000(75%) of all the informal establishments in the Gambia, followed by the manufacturing sector which accounts for 9,000 (12%). The utilities, mining and quarrying sector accounts for 63 establishments (0.084%) whilst the finance and insurance sector happens to be the area where the least informal economic activities take place (51 establishments (0.068%). According to the population census of the Gambia (2003), the Gambia has about 1.3 million people, 476, 439 (35%) of which are employed in the formal and informal sectors and 884,242 (65%) unemployed (not engaged in any form of formal or informal economic activities). Meanwhile, more men (64%) are engaged in the informal sector in the Gambia than women (36%). Within the paid informal sector in the Gambia, men dominate the fishing sector (58%), the manufacturing sector (81%), the construction sector (94%), the transport sector (90%), the communications sector (76%), the finance and insurance sector (77%), the education sector (73%), the health and social work sector (75%), and the community and social services sector (59%), whilst women account for 90% of the agricultural sector, 56% of the wholesale and retail industry, and 53% of the hotel and restaurant sector.

Based on the above statistical data extrapolated from the 2005 economic census of the Gambia, the informal sector seemed to have grown by 20% from the year 2000 (that is from 72% (ILO, 2000) to 92% in 2005). Although this information does not give a real representation of the informal sector in the Gambia as it fails to consider the unpaid sector to be a component of the informal sector, and individuals who neither are a part of the informal establishments but who just do their own personal businesses (like shoe-shiners, and housemaids), however it does give us a picture of what the informal sector is like in the Gambia.



## **The Scope and Nature of the Unpaid Informal Sector in the Gambia**

Although the paid informal sector has received more attention than the unpaid informal sector in academic literature and research, which has overshadowed the significant, existence, and socio-economic velocity of the unpaid informal sector, the Gambia happens to be an exceptional case where more people are involved in the unpaid informal sector than both the paid informal and formal sectors put together. According to the 2003 population census, the Gambia recorded 1.3 million people out of which only an estimated 410, 000 (35%) are employed in both the formal and paid informal sectors. This leaves more than 890,000 (65%) of the population unemployed (not even in the paid informal sector), resulting in a high level of dependency and poverty (69% of the population live below the poverty level). One intriguing question that would need to be answered is whether the 65% of the population excluded from both the formal and paid informal sectors really makes them participants in the non-wage informal sector. In answering this question, I will focus on the definitions forwarded by Williams (2005), thereby dividing the structure into youth (community) organisations, voluntary organisations, cultural/religious groups and self-provisioning.

### **Youth Organisations**

In his concluding remarks on the state opening of the 2003 National Assembly, the president of the Gambia (Dr.Yahya Jammeh) stated as follows;

The Youth constitute a significant proportion of the country's population ...I therefore call on the youths, in particular, to engage themselves in the informal sector and in trades-manship, as it is apparent that Government cannot achieve its goals alone without the necessary support and participation of all Gambian... This Government is calling on the youths and encouraging them to engage in self-employment in agriculture and other sectors of the economy in order to address the issue of unemployment in this country. (State Opening of the National Assembly Sessional Paper 1, 2003)

Indeed the Gambia is well nourished with a vibrant youth (15-29 years) sector, which constitutes well over 60% of its population. It is the case in the Gambia that the majority of the youth population is engaged in the non-waged informal sector through community youth organisations. It is even the case that most youths who are the in paid informal and formal sectors also participate in the non-waged informal sector.

The Gambia happens to be well furnished with a variety of youth groups/organisations who actively engage themselves in different development-oriented activities within the parameters of socio-economic well-being. Such activities usually include community development projects like building and rehabilitation of community schools, health centres, skills centres, local bakeries and environmental sanitation. For instance in 1997 in the village of Old Jeshwang (seven (7) km away from Banjul the capital city of the Gambia), where a primary school (Old Jeshwang Primary School), which caters for the educational needs of more than one thousands pupils was falling apart a youth association (known as the Youth Association for Advancement) together with two other youth groups, rehabilitated the school into a brand new one. All the rehabilitation work was undertaken by the local members of the associations without any form of payment. The Youth Association for Advancement has also carried out numerous cleansings exercises (known as 'set-settal') in the Old Jeshwang Village. This process charges the local members of the youth association with the responsibility of clearing and dumping community wastes, cleaning rubbishes from community streets, creating drainages systems during the rainy seasons and also recycling recyclable products. Not only do youth associations like YAA rebuild and rehabilitate

schools, health centres and skills centres, but they also provide the human resources (i.e. teachers, teaching assistants, nurses, and other experts) to facilitate the smooth running of such centres. This is where youths who participate in the paid informal and formal sectors come in as volunteers rather than paid people. In the urban and rural regions of the Gambia, there are over a hundred youth organisations that engage in such community initiatives without any forms of payments.

Meanwhile, other youth organisations in the Gambia like the Kanifing East Youth Development Society (KEYDS), the Bakau Youth Association for Children's Welfare (BYCAW), Lend a Hand Society (LHS) and the Organisation for Future Development (OFD) render community services such as vocational skills training to disadvantaged young men and women in local communities, sponsor local students in schools, produce local products like jam, mayonnaise, poultry and dairy products, and agricultural products to their local communities. Some even construct boreholes in their local communities to cater for the need of safe and hygienic drinking water. All such community services are rendered by youth organisations in the Gambia through their local members free of charge (no form of payment involved).

### **Voluntary Groups**

Voluntary groups play a very pivotal role in the socio-economic development of the Gambia. Whilst some of the voluntary groups are international (like the Red Cross, Girls Guide, Rotary International), others are local voluntary groups some of which, are based outside the Gambia (like the Gambia United Society based in the UK, the Gambia Education Support Organisation in Denmark) and the rest based inside the Gambia (like Kingfisher Trust, Bafrow etc). The unpaid services they render to the local communities in the Gambia ranges from education, health, agriculture, trade, vocation, through to environment, manufacturing, finance and transport. For instance Kingfisher Trust the Gambia, which is a non-political and sectarian community-oriented group, has carried out a significant number of community projects in different local communities in the Gambia since its inception in 1990. For example within the local community of Yuna, it has created more than sixty-five vegetable gardens for the locals, built a number of local shops, created an area for sheep fattening and poultry, build a complete carpentry and metal workshop, a garden store, a swing, and also provided a significant number of bicycles and sewing machines. In addition, it also provides the human resource and expertise in training the locals to sow and knit, carpentry and metalworking, typing and computing, and also in food maximisation techniques and methods. The group has also been actively involved in building nursery and primary schools in local communities whilst at the same time giving sponsorship to deserving children. There are over three hundred (300) community voluntary groups currently operating in the Gambia, carrying out similar works like those of Kingfisher Trust the Gambia. These initiatives are usually undertaken by local members of such community groups without any forms of payment.

### **Self-Provisioning in the Gambia**

The Gambia as a society of diverse people is culturally oriented and believes in holding family ties more than anything. Unlike Europe and America where family separation in most cases starts when somebody reaches the age of eighteen (18), in the Gambia, families always stick together, living in the same compound for four to five generations (sometimes until death reap them apart). The extended family system forms the core of the Gambian society where different members of the extended family system are expected to play different

roles. As a very patrimonial society, the male (husband, brother, uncle, grandfather) is generally marked with the responsibility of providing sustenance for all the family members, ensuring the protection of family members and property and also undertaking all repair and maintenance work that proves to be physical. The female (mother, wife, sister, aunt, grandmother) is expected to care for the children, cook meals, clean the compound, wash the family clothes and also when possible do subsistence farming. The grandparents in most cases sit at home to look after the children, tell them stories and history, and teach them manners, values, culture and religion. A high level of sharing and caring takes place among family members. An average extended family living in the same compound in the Gambia may consist of up to twenty-five people. Any work that is to be done has got a head (a decision maker) and where the work proves to be complex and difficult; a family meeting is usually convened to do analysis of the work to see how the family members could do it. Such works usually undertaken by family members may range from building houses, cultivating a family farm, to constructing a drainage and sewage system and digging wells for fresh water. Where children become old and mature enough, females are taken to the farm to learn and help their mothers, whilst males go with their fathers to their workshops to help and learn from them. Although this may not necessarily be the case in the urban regions of the Gambia, however one has to bear in mind that almost 60% to 70% of the Gambian population live in the rural areas. Even in the urban regions of the Gambia, a high level of self-provisioning takes place due to the government's inability to provide the basic social amenities for the people. For instance in the greater Banjul area, waste collection from family homes is supposed to take place once every week, but due to the government's inability to cater for such needs, families would often come to combine forces to get rid of such wastes which usually create breeding grounds for mosquitoes. In addition, because of poor roads, streets in most local communities can just be likened to mini lakes when it rains. To this, again families often come together to create temporal drainage systems to ooze rainwater from their homes and local communities.

### **Contrasting the Gambian Informal Sector and the Globalisation (Akin To Commodification and Formalisation) Thesis**

The current nature, scope and composure of the informal sector in the Gambia greatly challenges the claims of both the 'formalisation' and 'commodification' theses (see Williams, 2005). The formalisation thesis stipulates that 'goods and services are increasingly provided through the formal economy (the state and market spheres) and the informal economy is in demise' (Williams, 2005). It also views the informal sector as a constraint to socio-economic development, which brings about socio-economic backwardness and underdevelopment (Williams, 2005). Based on the current nature of the paid informal sector in the Gambia, informal economic activities cannot be viewed as a euphemism for poverty because poverty is linked to the process of distribution whilst the informal sector is related to production, but rather it can be viewed as a mechanism that the Gambia government is tolerating and even stimulating in order to resolve 'potential social conflicts and to promote political patronage' (Castells & Portes, 1989). Thus in the Gambia, the paid informal economy has become a means of coping with 'population growth, rural-urban migrations, economic crises, poverty and indebtedness' (Charmes, 1998).

In addition, although the informal sector in the Gambia reinforces the geographical dimension (that is the notion that the informal sector is implicitly linked to the urban economy (Todaro, 1987)) as 85% of all informal establishments are concentrated in the urban regions of the Gambia, however, it also indicates that the informal sector is also active in the rural regions of the Gambia (15% of all informal establishments). One particular reason for the urbanisation or the concentration of the informal sector in the urban regions of the Gambia is

the high level of rural-urban migration that started from the development decades (1965-1985), which witnessed the centralisation of all development activities in the urban regions.

The current unpaid informal sector in the Gambia also debunks the hypothesis of the 'commodification thesis' (also known as the 'commercialisation' or marketization' thesis; see Williams, 2005), which postulates that 'the formal production and delivery of goods and services is increasingly occurring through the market sector rather than by the state or informal spheres' (Williams, 2005). As observed by Williams (2005)

...a worrying and disturbing finding once one starts to investigate the musings of the above adherents to commodification, is that hardly any evidence is ever brought to the fore either to show that a process of commodification is taking place or even to display the extent, pace or unevenness of its penetration

The argument I want to raise here is that probably all the lamentations being done on behalf of the commodification, formalisation and globalisation theses are (a) very subjective in nature (in the sense that all such comments made are influenced by the socio-cultural and politico-economical orientations and environments of the commentators), and (b) that they are very Eurocentric because they failed to look beyond the West in order to give in-depth considerations to African countries like the Gambia as reflected in the active existence and contributions made by the unpaid informal sector in the Gambia. I also argue that such commentators lack complete socio-cultural competence of non-western countries like the Gambia, and that they only present what is given to them by the custodians of western development (the capitalists) rather than conducting their own empirical research to establish reality. Although commodification may be the principal embodiment of the structural adjustment programmes and economic recovery programmes that are currently being experimented on and implemented by most African countries like the Gambia, however the present equation of the unpaid informal sector in the Gambia suggests that the commodification thesis at best can be described as a 'vague theory and thin empirics' (Martin and Sunley, 2001; cited from Williams, 2005), and at worst as the delusion of the illusionist.

### **Economic Globalisation a Source of Socio-Economic Underdevelopment and Destabilisation: The Case of the Gambia**

Since independence in 1965, the Gambia has tailored its socio-economic policies, both externally and internally devised, to conform to the apparently inevitable and immutable future of globalisation. Its endeavour to formalise its economy and eventually become more integrated into the globalisation process (global economy) has been centred around the neo-liberal premise that a formalised/globalised economy will contribute positively to national socio-economic development, particularly through job creation, income generation, poverty reduction, expansion of economic opportunities as well as increased participation of people in national planning and decision making (Private Sector & Food Production Report, 2002).

However, economic globalisation has compelled countries like the Gambia to open up to international trade, remove barriers to foreign investment, and reduce corporate regulations and taxes, as well as other disincentives to vibrant economic activities. The deliberate policy factors driving economic globalisation include the advocacy for and implementation of the new free-market economic order following the collapse of the Bretton Woods system of fixed exchange rates in 1971 (UNDP, HDR 1999).

In the Gambia and most 'third' world countries (Ghana, Nigeria, Sierra Leone, Costa Rica, Mali, Senegal, Burkina Faso) tools used for implementing this approach among other things included liberalization and privatization reforms that were embedded in the Structural Adjustment Programmes (SAPs) introduced around 1985. This period witnessed the removal of agricultural subsidies and the privatization of the Gambia Producing Marketing Board

(GPMB) as the Gambia moved towards liberal and free market policies. The Economic Recovery Programme (ERP) initiated and supported by the World Bank in supplementing Gambia's efforts towards a free market economy and free capital mobility, led to the eradication of import and export licensing requirements, the liberalisation of foreign transactions, customs tariff reduction and mass unemployment. Paradoxically, like in many other 'third' World countries, economic globalisation increased the Gambia's demand for social insurance whilst decreased its capacity to provide it.

Around 1985, the Gambia's inability to meet its debt service obligation, coupled with its inability to secure commercial credits resulted in domestic shortages of vital and basic commodities such as rice, sugar, electricity, water and petroleum (Sallah, 1990). In countering such a socio-economic situation, the economic recovery programme financed by the IMF and World Bank was introduced with the aims of curtailing inflation, boosting annual real GDP growth by 3.3%, creating a viable volume of official foreign exchange reserves, reducing external arrears, and normalising relations with creditors (Sallah, 1990). However, the most outstanding aim of the ERP was to revitalise the economy and make it self-sustainable through world market adaptation (Fyhri, 1998). This programme saw the formalisation of all sectors in the Gambia as the government embarked on a comprehensive mission of liberalising the pricing and marketing structures in the Gambia to encourage private sector participation on socio-economic activities, whilst at the same time enforcing stringent discipline on demand management through appropriate monetary, fiscal, exchange-rate, and external debt policies (Sallah, 1990). The government also adopted a tight policy over public enterprises, and government apparatus through financial and administrative reforms such as reducing the size and scope of the civil services, and also strengthening the financial and tax system. As Sallah (1990) stipulates, a major element of the overall ERP reform package was to introduce a floating system so as to divert business from the "black market" or "parallel market", which was thought to be diverting much business and badly needed scarce foreign exchange from the formal banking system and other sectors (World Bank, 1989).

Indeed the IMF in its Enhanced Structural Adjustment Facility Policy Framework Paper (1998-2000) pronounce that under the Economic Recovery Program, strong economic policies and a broad range of socio-economic reforms were put in place, which included a tight fiscal policy involving improved expenditure control and an enlarged tax base, a restrictive monetary policy, strengthened economic incentives, including the lifting of most price controls and the introduction of a market-determined exchange rate in the context of a liberalized trade and payments system and the divestiture of a number of public enterprises and the strengthening of the financial position and operations of enterprises remaining in the public domain. The implementation of such formalisation policies was supported by the international community, in particular by the International Monetary Fund with a three-year arrangement under the Enhanced Structural Adjustment Facility (ESAF) that expired in November 1991, and by the World Bank through structural and sectoral lending, including the second structural adjustment loan (SAL II), which got completed in June 1992. Sehn (1992a) further pronounce that economic recovery, which formed the core of structural adjustment in sub-Saharan Africa included measures such as exchange rate devaluation, fiscal policy restructuring, monetary discipline and interest rate rationalization, as well as an array of institutional reforms that involved redefining the role of the state and public enterprises engaged in a range of activities including control of agricultural input and product marketing.

For some (IMF, World Bank, the Gambia government), the externally devised economic recovery programme brought about tremendous economic growth and development to the Gambian people. Sallah (1990) postulates that the introduction of the economic recovery programme significantly improved the Gambia's economy, whilst the World Bank report (1989) stated that 'since the adoption of the ERP, the rate of inflation has dropped from

70 percent in 1985/86 to about 9 percent in 1987/88...and an average annual increase in real GDP of 5.5 percent during 1986-8'. The IMF in its Policy Framework Paper 1998-2000 mentioned that the Gambia until mid 1993 made significant progress in reducing financial imbalances, liberalising its economy, and strengthening its basis for durable economic growth through the economic recovery programme.

However, the question that is often ignored is whether such economic growth and stabilisation really got translated into socio-economic development or whether the local Gambians equally shared such views of economic advancement. Well according to the People's Democratic Organisation for Independence and Socialism (PDOIS), the real purpose of the ERP was not to facilitate the development of the productive sectors of the economy but to programme it in such a way that the Gambia would be able to repay its loans and interests on them, by hook or by crook...the government was now to be the local tax collector of the international money lenders (Foroyaa Newspaper, 1989; cited from Sallah, 1990: 629)

Others have also accused this formalisation programme for greatly contributing to increased poverty and food insecurity in sub-Saharan Africa particularly the Gambia (Cornia, Jolly and Stewart, 1987), where to-date 69% of the population live below the average poverty line. Wadda (2000) stipulates that although macroeconomic indicators gained the recognition and approval of the Bretton Wood institutions, however more people fell into poverty, illiteracy and poor health. In the case of The Gambia for instance, the introduction of the economic recovery programme in 1985 saw the retrenchment of up to 3,324 employees out of the 14,224 government employees by December 1985, whilst seven hundred positions were suppressed (Touray, 2002). Such redundant workers were labelled as "excess baggage" by the government. This act of retrenchment carried out in the name of efficiency led to the proliferation of unemployed people in the Gambia and increased their deprivation.

The introduction of the economic recovery programme in the Gambia also initiated the elimination of subsidies on essential goods and services such as farm tools, fertilizers, medicine, and education (Touray, 2002). This worsened the deprivation of the poor and the unemployed. As Pleskovic and Bruno (1995) observe, 'one of the great tragedies of the 1980s in Africa and Latin America was not only their poor economic performance but also the simultaneous reduction in government expenditure'. The reduction in government expenditure resulted in the deterioration of public infrastructure, decrease in the quality of service delivery, and increase in the cost of basic essential services such as health care and education (Touray, 2002). For instance according to the National Report on Sustainable Development (2002), total expenditure in the social sectors of health and education was reduced from 32% in 1984/85 to 14% in 1987/88 in the Gambia. These coupled with increased taxation and the introduction of a tax-based economy further increased the gap between the poor and rich and also the untold suffering of the poor and rampant corruption. In The Gambia for instance, health service charges rose to 500% from D1.00 to D5.00 in the mid 1980s whilst education school fees increased and the cost of school furniture was bore by the parents without corresponding increase in the quality of services (Touray, 2002).

## Conclusion

Neo-liberalism [economic globalisation] is not the natural human condition, it is not supernatural, it can be challenged and replaced because its own failures will require this. We have to be ready with replacement policies which restore power to communities and democratic states while working to institute democracy, the rule of law and fair distribution at the international level. Business and the market have their place, but this place cannot occupy the entire sphere of human existence (George, 1999: p8).

In this paper, I have critically looked at the economic globalisation thesis to contest its stereotypes on socio-economic development particularly in the Gambia. The thesis akin to the commodification and formalisation theses is presented as a process that will create jobs and resources for all whilst at the same time ensuring an adequate distribution for general survival and stability (Ambrose, 2004).

I have also tried to expose the performative and hallow nature of the economic globalisation thesis by putting the Gambia and its informal sector into perspective. Evidence produced in this paper demonstrates that the informal sector is not in demise but instead it is on the increase. Economic globalisation is presented as a natural and inevitable phenomenon that cannot be resisted or influence and of course which accommodates no potential alternatives. But as Massey (2005: 5: cited from Williams, 2005) pronounces

Globalisation in its current form is not the result of a law of nature (itself a phenomenon under dispute). It is a project...statements...such as there is no alternative...is not a description of the world [but]... an image in which the world is being made.

The process of economic globalisation has also being a source of socio-economic destabilisation and underdevelopment in sub-Saharan Africa particularly the Gambia. Indeed it has been an awesome and terrifying phenomenon, enlivening the venomous potency of mass poverty and its accompanying multidimensional depravity of the citizenry of all the requisite essence of meaningful living (Akindele et al, 2002).

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